

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Audit Profile	
Country	MEXICO
Factory code	10025003C
IEM	COTECNA
Date of audit	23-24 AUGUST 2004
Days in the facility	TWO
PC(s)	LIZ CLAIBORNE, INC. AND PHILLIPS-VAN HEUSEN
Number of workers	1017
Product(s)	
Production processes	KNITTING, MAKING UP, INSPECTION, FINISHING, WASHING, IRONING, LABELING, PACKING UP.

FLA Code/ Compliance issue	Findings					Remediation					
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice
1. Code Awareness											
a. Code posting/information		Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers. (POM)	No COC of Liz Claiborne or PVH were posted anywhere in the factory.	Manager interview and Visual inspection		Post the PVH code of conduct poster on bulletin board in a common area where accessible to all employees	10-Oct	The PVH code of conduct poster has been posted in an area accessible to all employees.			
b. Worker/management awareness of Code		Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis. (POM)	Workers are not aware of Company Policies on Forced Labor and Harassment or Abuse.	Workers interviews		Post the code of conduct posters on bulletin boards in common areas where accessible to all employees. In addition, factory needs to provide employees with trainings to ensure their knowledge and understanding of code of conduct.	6-Nov	Factory has conducted four sessions to include all employees. Human Resources Department has prepared written and visual material for better comprehension, emphasizing the most important points in the code.			
c. Confidential non-compliance reporting channel		Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so. (POM)	Neither Liz Claiborne nor PVH have put in place a confidential non compliance mechanism for use of the workers.	Manager interview.		Implement a confidential non-compliance mechanism to allow workers to address grievances with the PC.	12/1/2004				
2. Forced Labor											
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise											
e. Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	The work contracts for Chinese workers were not shown to auditors, therefore the terms and conditions could not be verified.	Records review							
3. Child Labor											
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.											
4. Harassment or Abuse											
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.											
5. Nondiscrimination											
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.											

FLA Code/ Compliance issue	Findings					Remediation					
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice
a. Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement	In the job application form used by prospect workers there is a question about past Union affiliations.	Records review		Respect employees' rights to comply with all national/local laws and regulations concerning freedom of association and collective bargaining, and remove the union affiliation clause from the job application form. Employees should be free to join organizations of their own choice without being subject to intimidation or harassment.	11/15/2004	Factory allows employees to freely join any union. No intimidation or harassment was ever involved to discourage workers from freedom of association. The factory will place a notice reminding employees their right to freedom of association on the announcement boards around the factory. Factory will also emphasize the freedom of association in the introduction course when employees first join the company. Human Resource Dept. will eliminate the union affiliation clause from the			
6. Health and Safety											
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities											
c. Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Passage ways in between assembly lines machines are narrow and are obstructed with material boxes making it difficult to walk.	Visual inspection		Increase the spacing of the passage ways in between assembly lines machines and keep all passageways clear of obstruction at all times. Repaint all aisles with yellow paint to indicate this to employees.	10/15/2004	Factory will increase spacing of the aisles, repaint the yellow lines to indicate that all aisles must remain clear at all times.			
d. Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	Two extinguishers were not in place during the auditors walk through. One in the raw materials warehouse and another outside the dormitories area.	Visual inspection		Ensure all fire extinguishers are in their appropriate places.	15-Oct	All fire extinguishers will be in their appropriate places.			
e. PPE		Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	The level of noise in the knitting section seemed to be too high and workers do not wear ear plugs.	Visual inspection		Reduce factory noise level in the knitting area to 85 d or less in an 8 hour period to reduce a health hazard.	11/1/2004	Earplugs have been provided to all employees in the knitting area. In addition, supervisors will enforce the use of the earplugs. Education of all employees on the benefits and importance on all PPE has been done.			
f. Chemical Management		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	There is not a source of water near the chemical storage area.	Visual inspection		Install a source of water near the chemical storage ares.	12/1/2004	Water source has been implemented.			

FLA Code/ Compliance issue	Findings					Remediation					
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice
m. Sanitation in Dormitories		All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.). Emergency evacuation drills should also be conducted at least annually		Visual inspection	Accommodations provided for the X Chinese employees who included the General Manager, Professionals and technicians are comfortable, clean and comprises facilities as dining room, kitchen with a Chinese Chef, social area with games and TV set, laundry facilities and gymnasium. Some of the bedrooms are air conditioned and the others are equipped with ventilating fans. All bedrooms have private bathrooms. Depending of the level of the employee, bedrooms are single, double or four bedded.						
o. Ergonomics			Workers at the assembly line work sitting on stools, without appropriate back support.	Visual inspections and workers interviews		Provide back support on the sitting stools for the workers at the assembly line	12/1/2004	Back supports has been provided.			
7. Freedom of Association and Collective Bargaining											
Employers will recognize and respect the right of employees to freedom of association and collective bargaining											
a. Right to Freely Associate		Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment	Workers testimonies that there is fear of retaliation if they decide to start an independent Union.	Workers interviews.		Respect employees' rights to comply with all national/local laws and regulations concerning freedom of association and collective bargaining. Employees should be free to join organizations of their own choice without being subject to intimidation or harassment.	11/15/2004	Factory allows employees to freely join any union. No intimidation or harassment was ever involved to discourage workers from freedom of association. The factory will place a notice reminding employees their right to freedom of association on the announcement boards around the factory. Factory will also emphasize the freedom of association in the introduction course when employees first join the company.			
h. Employer interference/formation of alternative organizations		In cases where a single union represents workers, the employer will not interfere in any way in workers' ability to form other organizations that represent workers	According to Management the company has not fired any worker due to their union activities; however many workers told auditors that workers were dismissed when leading efforts to form an independent union.	Manager and Workers interviews		Respect employees' rights to comply with all national/local laws and regulations concerning freedom of association and collective bargaining. Employees should be free to join organizations of their own choice without being subject to intimidation or harassment.	11/15/2004	Factory allows employees to freely join any union. No intimidation or harassment was ever involved to discourage workers from freedom of association. The factory will place a notice reminding employees their right to freedom of association on the announcement boards around the factory. Factory will also emphasize the freedom of association in the introduction course when employees first join the company.			
8. Wages and Benefits											

FLA Code/ Compliance issue	Findings					Remediation					
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits											
y. Other		Transport		Workers interviews and Managers interviews	The company provides free transport for the workers and auditors had a chance to see the buses used, these are comfortable and according to the workers interviews, the service is very good and is a great help for them.						
9. Hours of Work											
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period											
a. Forced overtime		Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime	Chinese workers work 12 hours a day and 6 days a week, according to [worker interviews]. No evidence of willingness to do this was shown to auditors.	Workers interviews.		Discontinue the practice of mandatory overtime, implement a system to ensure that all overtime is 100% voluntary and modify the Chinese/Immigrant workers' contracts by removing the mandatory overtime clause.	11/15/2004	All original contracts will be amended by eliminating mandatory overtime clause. A new clause will also be added that states that all overtime is voluntary.			
e. Overtime Limitations		Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	[Worker interviews] stated that Chinese workers work 12 or more hours a day without extra pay. Pay slips of these Chinese workers show that they earn a fixed salary equivalent to three or four times the minimum wage, but no indication of extra hours was noted on the document.	Workers interviews, pay slips		There are no detailed wage statements provided to employees for each pay period. This statement should include days worked, wage or piece rate earned per day, hours of overtime at each specified rate, bonuses, allowances and legal and/or contractual deductions.	12/1/2004	Wage statements shall include all overtime hours worked.			
10. Overtime Compensation											
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.											
Miscellaneous											